

Financial Sponsor Application Process

April 2002

Thank you for your interest in becoming a financial sponsor for enrollees in the Washington State Basic Health Plan. For sponsors who provide health care services to Basic Health members, the required minimum contribution is \$15 or \$20 per member depending on member family income. Note that the Health Care Authority (HCA) continues to require sponsors to offer all plan choices and that monthly premium cost for some plans may be higher than these minimum amounts.

Enclosed are several documents to assist you in determining whether your organization will choose to submit a sponsor application.

- Description of which financial sponsors are subject to the minimum charges of \$15 or \$20 per month
- The Basic Health Group Manual,
- A sample financial sponsor contract, and
- The current Basic Health Consumer Guide/Application and "You-Pay" table showing premium charges effective through June 2002.

PROCESS

The following is an overview of the process to become a financial sponsor.

- First, please submit a letter of application to Becky Loomis, Assistant Administrator for the Basic Health Plan, which must include:
 - a) A description of your organization, including by-laws, which describe the purpose, function and decision making authority of the organization;
 - b) A description of the population to be served by your organization including the area (by county) of the proposed sponsorship;
 - c) An overview indicating the need for a sponsor program for the area and population to be served (sponsor applicants will continue to be required to develop a plan to primarily serve under served populations);
 - d) An indication as to whether your organization is requesting a sponsorship subject to the minimum monthly sponsor contribution proviso; and

- e) If your organization is seeking an exemption from the proviso, please submit the necessary documentation to demonstrate that your organization meets the specific exemption requested.
- If your application is approved, you will work with the Health Care Authority to finalize a sponsorship agreement (sample contract enclosed). Some of the items covered in the contract include: a twelve month contracting period, an requirement that your sponsorship program offer sponsored members a choice of all the health plans available where they live (full managed competition); the geographic area and income levels of members to be covered in your program; and assurances related to access to information and working relationships with potential an sponsored members of Basic Health and with the Health Care Authority. The contract also has a Certification Form that you will use with all applicants under your sponsorship program once the contract is finalized.
- After the contract is finalized and signed b all parties, you may begin to enroll sponsored members in Basic Health.

TIMING

Timing for becoming a sponsor and getting Basic Health sponsored coverage for clients are generally as follows.

Please allow at least three weeks for the Health Care Authority to review your application and render a decision.

Following approval of the sponsorship application, approximately one month will be needed to finalize a signed contract.

Once you have submitted applications for members, (if there is no delay due to managed enrollment) expect approximately six weeks after receipt of completed applications for member coverage. Once the sponsored member application and documentation are reviewed and approved it will be added t the sponsor invoice in the next billing cycle. If applications are incomplete or do not include required documentation, the enrollment process will take longer than this even if we are not in managed enrollment.

Names from applications approved before mid-month are added to the invoice mailed that month for coverage beginning two months later. As an example: the invoice for November coverage is mailed in mid-September, with payment due in early October.

We appreciate your interest in becoming a financial sponsor. Please review the enclosed information carefully. If you have other questions please call Rebecca Burch at (360) 923-2712.

Contract Number: _____

**BASIC HEALTH PLAN
FINANCIAL SPONSOR AGREEMENT**

Organization name: _____

Address: _____

Telephone: _____ Fax _____

Contact name: _____

Title: _____

Telephone number: _____

Corporate Status: _____

Relationship with a health plan (s) contracting with Washington Basic Health: Receives financial contributions from and sub-contracts as per Part C, item 16 for some administrative sources to provided by health plans contracting with Basic Health.

Universal Business Identifier (UBI) number _____

PART A (Applicable to all sponsors):

CERTIFICATIONS AND ASSURANCES

1. This agreement is effective for coverage through' _____ unless sooner terminated as provided below. The agreement between the financial sponsor and Health Care Authority may be renewed upon such terms as are mutually agreed between the Health Care Authority and the financial sponsor.
2. The financial sponsor agrees to submit the entire Basic Health premium amount for sponsored enrollees and their dependents on a monthly basis to the Health Care Authority (HCA) in accordance with the terms of the HCA invoice.
3. The financial sponsor agrees to sponsor the following category of sponsored enrollees:
 - (a)
 - (b)
4. As agreed upon with the Health Care Authority to provide affordable health care access, the financial sponsor determines what amount of the premium they will contribute, and what amount, the financial sponsor will collect from sponsored enrollees. The financial sponsor shall be responsible for collecting the sponsored enrollee's premium share and

submitting payment to the Health Care Authority for each sponsored enrollee's total monthly premium.

5. The Health Care Authority may provide notification directly to sponsored members of coverage changes in coordination with information provide to sponsors. The financial sponsor agrees to distribute Basic Health newsletters to sponsored enrollees as requested.
6. The financial sponsor agrees to have systematic procedures and policies for gathering, reviewing, and forwarding applications for eligible candidates and annual re-verification of sponsored enrollee eligibility status. These policies and procedures are subject to approval by Basic Health and to public disclosure.
7. The Health Care Authority may from time to time review financial sponsor procedures, including procedures for distributing information to enrollees by the sponsor. The financial sponsor agrees to collect and retain a signed Basic Health Financial Sponsorship certification form from each newly sponsored enrollee and to submit to the Health Care Authority a copy of this certification form with the enrollee's application.
8. The financial sponsor may be required to provide current information about sponsored enrollees' income, family size, family status, residency and related information to the Health Care Authority and the Department of Social and Health Services (DSHS) for purposes of eligibility.
9. The financial sponsor must provide the enrollee with written notice thirty days prior to the cessation of sponsored coverage if the sponsor is terminating sponsored coverage of that enrollee.
10. The financial sponsor members will be subject to re-certification and recoupment in the same manner as are all other Basic Health members.
11. The financial sponsor agrees to disclose to the sponsored applicant whether the sponsor receives revenue from a Managed Health Care System (MHCS) based on services provided to sponsored enrollees who select that plan.
12. The financial sponsor agrees to comply with all requirements for Basic Health Sponsoring Organizations under Washington Administrative Code adopted by the Health Care Authority.
 - a) The financial sponsor will collect, monitor and maintain current information on members and submit account change information to Basic Health, including but not limited to address, dependents, and income. If the financial sponsor submits plan changes or changes of dependents to Basic Health by phone as part of open enrollment the sponsor must retain written documentation that the subscriber authorized the changes.
 - b) The financial sponsor may be required to provide current information about sponsored enrollees' income, family size, family status, residency and related information to the Health Care Authority and the Department of Social and Health Services (DSHS) for purpose of eligibility determination.

- c) The Health Care Authority may, for compliance and accountability purpose, review the financial sponsor's Basic Health eligibility and enrollment information, contact sponsored enrollees to verify their status and request updated eligibility documentation or perform other audit functions determined by the Health Care Authority to be necessary to ensure the terms of this contract are being administered as intended.
13. The financial sponsor agrees not to limit the choice of plans or providers available to continuing members and new enrollees in sponsorship program. The financial sponsor will not withdraw sponsorship of any sponsored enrollee, or reduce the premium share contributed on behalf of the enrollee, based on the enrollee's plan or provider choice.
14. The Health Care Authority reserves the right to limit new enrollment in Basic Health through the financial sponsor program.
15. The sponsorship agreement may be terminated by Health Care Authority or by the financial sponsor by giving ninety -(90) days written notice. At least sixty -(60) days prior to the date of termination of the members sponsored coverage by the financial sponsor, it is the responsibility of the financial sponsor to provide written notification to sponsored enrollees that the sponsorship is being terminated.

**PART B (Applicable to sponsors subject to 1998 Chapter Law C 346 L PV provisions)
these sponsors are not exempted from the Chapter Law provisions.**

The financial sponsor acknowledges that the sponsor is an organization paid to deliver Basic Health services and agrees to pay a minimum premium to the Health Care Authority of at least:

- a) Fifteen dollars (\$15) per month per sponsored enrollee whose family income is below 100 percent of the federal poverty level; AND
- b) Twenty dollars (\$20) per month per sponsored enrollee whose family income is 100 percent to 200 percent of the federal poverty level.

PART C (Applicable to sponsors that are exempted from the provisions of 1998 chapter Law C346 L PV)

Based on the financial sponsor's certification and assurances in Sections 16 and 17 below, the financial sponsor is provisionally exempted from the minimum payment of:

- a) Fifteen dollars (\$15) per month per sponsored enrollee whose family income is below 100 percent of the federal poverty level; AND
 - b) Twenty dollars (\$20) per month per sponsored enrollee whose family income is 100 percent to 200 percent of the federal poverty level, required for sponsoring organizations, which are paid to deliver Basic Health services.
16. The financial sponsor certifies and assures that: (Select one of the EXEMPTION PROVISIONS below and cross out the other two)

_____ General Exception Provision

- a) The financial sponsor is not paid to perform any function related to the delivery of Basic Health services, AND
- b) The financial sponsor does not receive contributions from other individuals and organizations (including organizations paid to deliver Basic Health services)

OR

_____ Donations/subcontractor Exception Provision

- a) The financial sponsor is not paid to perform any function related to the delivery of Basic Health services, AND
- b) The financial sponsor does not receive contributions from other individuals and organizations (including organizations paid to deliver Basic Health services), AND
- c) The financial sponsor's governance is separate and distinct from any organization that is paid to deliver Basic Health service; AND
- d) The financial sponsor has financial autonomy and control over the funds contributed. Contributors relinquish control of the donated funds. There is no guarantee or agreement of benefit from the contribution; AND
- e) The financial sponsor will select sponsored enrollees from all persons within the geographic boundaries established by the financial sponsor who meet the selection criteria agreed upon by the financial sponsor and the Health Care Authority. The selection criteria may not include the health status or prior sponsor of the enrollee; AND
- f) The financial sponsor will receive no direct financial gain from the sponsorship arrangement.

_____ Governance Exemption Provision

- a) The financial sponsor's primary purpose is not the provision of health care or health care insurance; AND
- b) The financial sponsor's program governance is separate and distinct from any function that is paid to deliver Basic Health services; AND
- c) The financial sponsor has control over the sponsorship funds and the sponsor's funding of sponsored enrollees is separate and distinct from any function that is paid to deliver Basic Health services; AND

- d) The financial sponsor will select sponsored enrollees from all persons within the geographic boundaries established by the financial sponsor who meet the selection criteria agreed upon by the financial sponsor and the Health Care Authority. The selection criteria may not include the health status or prior sponsor of the enrollee; AND
 - e) The financial sponsor will receive no direct financial gain from the sponsorship arrangement.
17. The financial sponsor, subject to the approval of the Health Care Authority, is responsible for establishing its policies pertaining to its operation of Basic Health financial sponsorship, and for management of the duties required by this Sponsoring Organization Agreement, including but not limited to the direct and continuous monitoring of the performance of its subcontractors to ensure each of its subcontractors carries out the policies and directives of the financial sponsor and meets all Health Care Authority regulations and the terms of this agreement.

The financial sponsor may subcontract the day-to-day administrative functions of its sponsorship plan to one or more subcontractors. Such administrative functions may include, but are not limited to: Review and reconciliation of state invoices for the financial sponsor, tracking of eligibility lists, assistance in the completion of applications on the part of potential enrollees, collection and tracking of enrollees' portion of premiums, customer service activities and preparing account adjustment information for review by the sponsor.

The following responsibilities are personal to the financial sponsor and may not be assigned or delegated to subcontractors for performance: Establishment of the selection criteria for financial sponsored enrollees as agreed upon by the financial sponsor and the Health care Authority; Selection of financial sponsored enrollees; review and submittal of account adjustments; requests for disenrollment from sponsorship of current sponsored enrollees; control of all funds collected by or on behalf of the financial sponsor, payment of premiums to the Health Care Authority for all sponsored enrollees; communications with the Health Care Authority approval of the content of applicant and enrollee communications; and maintaining the identity of the financial sponsor in all customer communications and communications with the Health Care Authority regarding these sponsor responsibilities that may not be assigned or delegated.

18. The Health Care Authority may monitor the financial sponsors' performance under this Agreement to confirm that the financial and decision – making autonomy is maintained by the financial sponsor rather than a subcontractor.
19. The financial sponsor is responsible for notifying the Health Care Authority of any changes in governance or financing that could impact the certification and assurances in Sections, 16 7 17. If Health Care Authority finds that as a result of these changes the certification and assurances are no longer valid, the Health Care Authority will require the Sponsor to pay the difference between the sponsorship fee paid and the:
- a. Fifteen dollars (\$15) per month per sponsored enrollee whose family income is below 100 percent of the federal poverty level; and

- b. Twenty dollars (\$20) per month per sponsored enrollee whose family income is 100 percent to 200 percent of the federal poverty level, of per member per month sponsorship contribution required under 1998 Chapter Law C 346 L PV and prior budget provisions retroactive to the date the certification and assurances are found to be invalid.

FOR THE SPONSORING ORGANIZATION:

Signature_____Date: _____

Title_____

FOR THE HEALTH CARE AUTHORITY:

Signature_____Date: _____

Title: Executive Director of Contracts and Procurement

NAME:

Last Name

First Name

BASIC HEALTH SPONSORED ENROLLEE CERTIFICATION

What is the Financial Sponsorship Program? Washington Basic Health provides affordable health coverage subsidized by the State of Washington through managed care health plans. Premiums are based on age, income, family size and the selected health plan.

The Financial Sponsor Program is an option that allows certain individuals, organizations, or agencies to help an individual or family apply for Basic Health and pay all or a portion of the premium the individual would pay for Basic Health coverage.

Purpose of this form: This form is to certify that you have voluntarily requested to be enrolled in Basic Health through a financial sponsor and that you have been given information and have received materials describing the Basic Health Financial Sponsor Program.

Certifications:

Please read each item below. Your signature at the end of this form will acknowledge your agreement with the certifications, terms and conditions stipulated below.

I am applying for membership in Basic Health and agree to fill out a Basic Health application form, provide the information necessary for Basic Health to determine my income and family size and to let the financial sponsor make premium payments for me to Basic Health.

The financial sponsor has given me a copy of Basic Health application materials, which includes all of the health plans available in your county and Basic Health benefits including required co-payments and waiting periods.

I understand that I will be responsible for paying co-payments as listed in the application materials.

I further understand that any pre-existing conditions will not be covered for the first nine months of my/our enrollment, unless I/we have had previous continuous health insurance as outlined in the application materials for 2001 coverage.

I understand that I may choose any health plan available to me. The health plan I have selected is

I understand that the financial may be required to provide information on my income, family size, family status, residency and related information and may share this information with Basic Health and the Department of Social and Health Services (DSHS) for eligibility purposes.

I grant permission to the sponsor to verify, at any time, my coverage and premium amounts with Basic Health. I understand that Basic Health or the Sponsor may, for compliance and accountability purposes, review my Basic Health eligibility and enrollment information, contact me to verify my status and request me to provide updated eligibility documentation.

I will notify the sponsor promptly of any change in my mailing or residence address, family income changes, and/or family member changes or other circumstances that affect my Basic Health Coverage.

I request that Basic Health send my monthly premium bill to the financial sponsor, and that the financial sponsor pay my monthly premium to Basic Health.

I understand that the amount that the sponsor organization will contribute toward my monthly premium for sponsored members' is _____. The sponsor may require me to pay any difference between this amount and the cost of my premium. The sponsor will pay on my behalf until:

1. I notify the financial sponsor in writing that I no longer want my premium paid by the financial sponsor, or
2. I disenroll from Basic Health, or
3. I have been mailed a notice of disenrollment from the sponsor program by my sponsor, either because I have not complied with my obligations of sponsor notification; I have failed to pay a portion of my monthly premium amount as agreed to with the sponsor; I am no longer eligible; or the sponsor, upon sixty (60) days notification, will cease to sponsor members in Basic Health.

I understand that if any of the above situations occurs, the financial sponsor will stop making my premium payments to Basic Health and I will be responsible for any further premium payments to continue my coverage.

The financial sponsor has disclosed whether the financial sponsor receives revenue from a health plan to pay for services provided to sponsored enrollees.

I certify that the above items are true and that I understand the terms and conditions of this agreement.

Signature of Basic Health Subscriber: _____

Date: _____

Financial Sponsor Representative _____ Date: _____

Financial Sponsor Organizations _____ Basic Health Sponsor
Group Number: 908 _____

NOTES:

1. The Sponsored Enrollee Certification must be signed by both subscriber and sponsor representative
2. A copy of the certification is kept on file with the Financial Sponsor.
3. The certification is forwarded to Basic Health along with the Application for Basic Health.